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OFFICE OF PERSONNEL - MONTHLY REPORT

January 1964

I HIGHLIGHTS

Lenten Services Plans are complete for a program of religious services during Lent conducted along the same lines as last year. Since military chaplains are unavailable, clergymen from the McLean area have been obtained for both Catholic and Protestant services to be held each Wednesday beginning on Ash Wednesday, 12 February, and continuing to Easter week when the service will be on Good Friday, 27 March.

Dental Insurance By 31 January, a total of [REDACTED] DENTA applications had been received. About [REDACTED] were from Headquarters personnel. Since the "open period" for the Field extends to 14 February, final totals will very likely exceed our original estimates based on "expressions of interest" submitted last July and August when the program was first proposed in an Employee Bulletin.

25X9
25X9

II OTHER ACTIVITIES

1. RECRUITING

Serious Shortfall in Psychologists One of the hard-to-find categories of professional personnel which is not yielding to present recruiting efforts is the graduate Psychologist (Ph. D.). Eight key vacancies are involved. Stepped-up efforts planned against this target include: an ad in the February issue of the American Psychological Association journal; participation in 8 regional meetings of the APA this spring; and an approach to psychology department heads at a number of major universities indicating our interest in obtaining faculty members on a 2 or 3 year contract arrangement.

Revision of Professional Recruitment Brochure Comments and suggestions have been obtained from the four Deputy Directors and our own recruiters concerning revisions in the Professional Recruitment Brochure before its next printing. The suggestions should prove helpful in sharpening the text and also in improving the layout.

25X1A6d JOTP Screening Center [REDACTED] During January, 33 outstandingly qualified JOT candidates were referred to [REDACTED] by the 5 professional recruiters who cover the 11 Western states. 25X1A6d 25X1A9a

January '64 JOT Class The January JOT class has its full quota of [REDACTED] trainees -- the third straight class to do so. Here's how the new class compares with its two predecessors:

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NO CHANGE IN CLASS. []
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		Jan '63	July '63	Jan '64	
a.	<u>Composition</u>	"Externals"			
		"Internals"			
		"Specials"			25X9
b.	<u>Sex</u>	Men			
		Women			
c.	<u>Age</u>	Average			
		Youngest			
		Oldest			
d.	<u>Number Married</u>				
e.	<u>Number Undergraduate</u> <u>Schools Represented</u>				
f.	<u>Number Graduate</u> <u>Schools Represented</u>				

The new Jan '64 class contains a record number of "internals" - 27. It also includes a record number of graduates from western colleges, thus continuing the geographic shift noted in the last class. But its members show a slight decline in the number holding graduate degrees.

2. SEPARATIONS

Separations Compensation A year-end report on separation compensation showed that payments to the 73 persons who received benefits under this program now total \$472,665. Further payments to the 26 persons still claiming benefits could reach an additional \$140,814. And 2 employees selected under the 20-27 program still remain to be separated. Complete figures for the program show:

Proposed for separation -	
Actually separated -----	
Remaining to be separated	

25X9

3. PROMOTIONS

Step Increases During 1963, step increases of 41 Agency employees were withheld under the "acceptable level of performance" standard. Adding to this number 16 cases carried over from 1962, the disposition of the total cases active during 1963 is as follows:

27	are still being withheld
20	were granted on a deferred basis after improvement
9	employees resigned or retired
1	employee was downgraded
57	

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4. BENEFITS AND SERVICES

Increased UBLIC Insurance Coverage On 1 February an expanded and improved program of UBLIC insurance became available to Agency employees. The new program: raises the old limit on insurance coverage from \$15,000 to \$30,000 (and boosts the double indemnity limit from \$30,000 to \$60,000); reduces the premium rate from 61¢ to 50¢ per thousand; and provides free insurance for dependents on a sliding scale up to \$1,000 per person, depending on age. UBLIC policy holders under age 60 can increase their coverage up to about 100% without having to submit health statements; however, such statements will be necessary for new applicants and policy holders who wish to increase coverage above the 100% mark.

Income Tax Institute 54 representatives from Headquarters components, including 1 from [REDACTED], gathered in the auditorium 4-5 February for 2 days of intense training designed to equip them to aid other employees in answering questions connected with the preparation of Federal and State income tax returns. The instruction is being given by an Internal Revenue Official.

25X1A6a

Absentee Voting Since the Agency Notice on Absentee Voting [REDACTED] 13 Jan '64) was disseminated, calls and visits to the Benefits and Counseling Branch for additional information have averaged about 30 a day.

25X1A

Seat Belts Mid-point results compiled as of 31 January from the 15 Jan - 15 Feb seat belt campaign listed the sale of 721 seat belts, including 15 children's and 670 retractors. These results are substantially higher than had been expected when the campaign began.

GEHA Directors Re-elected All current directors of GEHA were re-elected at the annual members meeting 21 January.

Spring Fund Drive The 1964 Federal Service Campaign will be conducted from 1 March - 15 April to collect funds for the National Health Agencies and the Joint Crusade. Nine health agencies are represented in the campaign, along with 4 agencies in the Joint Crusade: the American-Korean Foundation, CARE, Radio Free Europe, and Project Hope. This is the first year that HOPE has been included in the Federal Drive. Secretary Dillon is Chairman of the national, as well as local, Joint Crusade, and Secretary McNamara heads the National Health Agencies Campaign.

Membership Drive for Recreation Association Plans for increasing participation in the Recreation Association are moving along well. To date they include a series of posters, a corridor display, an employee bulletin, and other similar promotional material. In addition, prizes may be offered lucky membership holders. As a special incentive for employees to support the Association, arrangements have been made to handle tickets (often at discount) through the Association for activities of the Washington Senators, U. of Maryland athletic events, Carter-Barron Theater, Washington Coliseum, American Light Opera Company, Arena Stage, National Theater, National Guard Armory, George Washington U. Athletic events and Lisner Auditorium presentations, Georgetown U. Athletic events, Warner Brothers Theaters, Shady Grove, and Constitution Hall.

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1964 Savings Bond Campaign The 1964 Savings Bond Campaign has been set for the period 11-22 May. In advance of the campaign there will be meetings of the Savings Bond Committee, selections of Vice Chairmen and keymen, and a rally in the auditorium.

5. AWARDS

Supply Suggestion Pays Off Some months ago a GS-7 Supply Assistant 25X1A6 observed that commissary, communications, and other supplies were arriving in rather small shipments which appeared to him relatively expensive to pack and handle. He suggested that better planning and tighter control would permit supplies to be ordered in larger quantities and shipped in conex containers thereby saving substantial packing costs and some freight and landing charges. A 6-month test of the suggestion at 25X1A6 and 25X1A6a, just concluded, has produced tangible savings at an annual rate of almost \$30,000.

25X1A6a

III SPECIAL REPORT

The Special Report this month is the second in a series which will attempt to predict the Agency's personnel losses, from retirement and other causes, for a period extending to about 1975. The purpose of the series is to give management a better forecast of personnel attrition estimates on which to base long-range recruitment, training, career development, and other personnel planning.

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III SPECIAL REPORT

GENERAL

Last month's Special Report was first in a series which will attempt to predict the Agency's annual professional personnel attrition through 1975 in order to give management a sharper view of its long-range professional replacement requirements and assist in the improvement of recruitment, training, and career development plans to meet these requirements.

The last Report cited 3 key elements affecting attrition among careerists which should be examined closely in relation to our professional staff:

1. the age distribution of professionals, and particularly the increases in average age that have been occurring in recent years;
2. changes and pending changes to liberalize retirement benefits and encourage early retirement;
3. the Federal service records of professionals -- which show progressively increasing amounts each year that will ultimately have an important effect on attrition rates.

The third element, "Federal service records", was the principal topic of the last Special Report. This Report presents some statistics and comparisons pertaining to the first two elements and also depicts the Agency's annual attrition rates, by selected grade groups, for fiscal years 1958 through 1963.

TABLES

TAB A - Average Age Comparisons: Staff Personnel, Grades GS-9 through GS-18, 31 December 1960 through 31 December 1963 (Agency)

TAB B - Same as above - for CSCS

TAB C - Same as above - for DD/I Career Services

TAB D - Same as above - for Support Career Services

TAB E - Annuity Comparisons (For employees in selected age, service, and grade brackets, TAB E compares the approximate Civil Service annuity they would earn using "high 5" figures from: (1) the salary scale in effect 1 July 60 - October 62, and (2) the present salary scale effective 5 January 1964. Also shown are approximate annuities computed under present salary scales but using (3) the proposed CIA formula, and (4) the formula in pending legislation permitting retirement at age 55 and 30 years service with no actuarial reduction.)

TAB F - Attrition Comparisons: Fiscal Years 1958 Through 1963 by Grade Groups (Agency)

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OBSERVATIONS

1. The average age of the grade group, GS-9 through GS-18, is increasing each year for all major directorates of the Agency.
2. The average age is increasing at a greater rate for the grade group, GS-12 through GS-18, than for the total GS-9 through GS-18 grade group. In the three-year period from 31 December 1960 to 31 December 1963, the average age of the GS-12 through GS-18 grade group in the Clandestine Services Career Service increased 1.6 years; the Career Services of the DD/I, 1.4 years and the Support Career Services, 1.2 years.
3. Of the major directorates, the DD/I Career Services have the most stable age structure in the GS-9 through GS-18 grade group.
4. With increased use of grade GS-10 during the 1960-63 period, the average age of persons in this grade decreased in the DD/I Career Services but increased in the Clandestine Services and Support Career Services.
5. The increased "high 5" which will develop from the Pay Reform Act of 1962 will yield substantially higher annuities to future retirees, (and this prospect of sharply higher annuities will no doubt increase pressures for retirement "deferrals" among employees who would otherwise seek retirement during the next 4-5 years.)
6. Passage of the Agency's proposed retirement legislation, and any amendment of the Civil Service Retirement Act to permit retirement at age 55 with 30 years of service without a reduction for years under age 60, will bring about further substantial increases in annuities over those generated by the Pay Reform Act of 1962.
7. The Agency's attrition rates have been remarkably stable during the past six years; however, 1960 marked the beginning of a slight upward trend in the GS-12 through GS-18 grade group, due very probably to the Agency's new policy on retirement announced in 1959.

COMMENT

The attached TABS, and those in last month's Special Report, reflect some of the forces which are at work and which will continue to influence the course of CIA's attrition rate, and especially, its losses through retirements. Two sets of these forces, important in their influence but different in their effect, deserve special note.

On the one hand, a potent combination of factors is operating to retard retirements over the near-term, say the next half dozen years. These factors include:

1. the relatively small number of Agency employees above age 50 (who comprise the group from which near-term retirements could be expected to come.)

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2. the comparatively short Federal service of most employees over age 50 (which, of course, influences adversely the size of their prospective annuities and will induce many of them to delay retirement as long as possible.)
3. the new salary scale that became effective 5 January 1964 (and will produce sharply increased annuities for employees who defer retirement long enough to raise their "high 5" substantially.)

On the other hand, a set of different influences is at work which over the long-term, say after the next 8-10 years, may greatly accelerate CIA retirements. These influences include:

1. the relatively high number of Agency employees in the 40-50 age bracket.
2. the comparatively long Federal service most employees now age 40-50 will have when they begin considering retirement.
3. the new salary scale effective 5 January 1964 that, in due course, will produce sharply increased "high 5's."
4. pending legislation (CIA's early retirement bill and the prospective "55-30" Civil Service Retirement Bill) which, when passed, will increase the attractiveness of early retirement for employees with substantial periods of Federal service.

What will happen when these two sets of forces, one retarding present retirements and the other accelerating future retirements, converge? Most probably, we will have an unprecedented number of retirements compressed into a span of a relatively few years. To the extent this is true, it is laden with significance for our personnel managers and heightens the importance of sound, long-range planning for: adequate annual increments of young officers; properly planned and supported training programs; and, perhaps most important of all, aggressive measures to develop key professional personnel to replenish anticipated losses, particularly at the senior executive level.

As noted earlier, a forthcoming report will attempt to estimate both the timing and the magnitude of the period in which we foresee a "compression of retirements" occurring.

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AVERAGE AGE COMPARISONS - STAFF PERSONNEL

Grades GS-9 Thru GS-18
31 Dec 1960 Thru 31 Dec 1963

<u>Grade</u>	<u>AGENCY</u>			
	<u>31 Dec 1960</u>	<u>31 Dec 1961</u>	<u>31 Dec 1962</u>	<u>31 Dec 1963</u>
GS-18	51.7	52.6	52.8	53.3
GS-17	48.9	49.5	49.3	49.0
GS-16	47.5	48.0	46.5	47.0
GS-15	46.8	47.0	47.0	47.1
GS-14	44.1	44.5	44.6	44.8
GS-13	41.4	42.0	42.1	42.3
GS-12	38.4	38.9	39.6	40.1
GS-12 thru 18	41.8	42.4	42.8	43.2
GS-11	38.0	38.6	38.7	38.3
GS-10	34.0	34.4	35.6	35.3
GS-9	36.5	36.7	36.5	36.2
GS-9 thru 18	40.0	40.4	40.7	40.8

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AVERAGE AGE COMPARISONS - STAFF PERSONNEL

Grades GS-9 Thru GS-18
31 Dec 1960 Thru 31 Dec 1963

CLANDESTINE SERVICES CAREER SERVICE

<u>Grade</u>	<u>31 Dec 1960</u>	<u>31 Dec 1961</u>	<u>31 Dec 1962</u>	<u>31 Dec 1963</u>
GS-18	49.6	50.1	51.1	51.6
GS-17	48.3	49.4	49.2	49.8
GS-16	48.2	48.0	47.4	47.6
GS-15	46.6	47.0	46.9	47.2
GS-14	43.4	43.8	43.7	44.2
GS-13	40.4	41.1	41.0	41.6
GS-12	37.3	38.1	38.9	39.5
GS-12 thru 18	41.2	41.9	42.1	42.8
GS-11	37.6	38.5	38.2	37.2
GS-10	32.6	34.0	35.5	35.9
GS-9	38.0	37.9	37.9	38.4
GS-9 thru 18	39.9	40.5	40.8	41.1

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AVERAGE AGE COMPARISONS - STAFF PERSONNEL

Grades GS-9 Thru GS-18
31 Dec 1960 Thru 31 Dec 1963

DD/I TYPE CAREER SERVICES

<u>Grade</u>	<u>31 Dec 1960</u>	<u>31 Dec 1961</u>	<u>31 Dec 1962</u>	<u>31 Dec 1963</u>
GS-18	52.5	53.2	53.2	54.4
GS-17	48.9	49.6	49.3	49.6
GS-16	47.0	48.1	45.2	46.1
GS-15	46.6	46.6	46.8	47.0
GS-14	44.4	44.8	45.1	45.1
GS-13	41.6	41.9	42.4	42.5
GS-12	38.5	39.2	39.9	41.1
GS-12 thru 18	42.2	42.7	43.1	43.6
GS-11	39.3	39.4	39.7	40.0
GS-10	35.4	34.3	35.3	33.9
GS-9	37.3	38.0	37.6	36.5
GS-9 thru 18	41.0	41.0	41.3	41.1

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AVERAGE AGE COMPARISONS - STAFF PERSONNEL

Grades GS-9 Thru GS-18
31 Dec 1960 Thru 31 Dec 1963

SUPPORT CAREER SERVICES

<u>Grade</u>	<u>31 Dec 1960</u>	<u>31 Dec 1961</u>	<u>31 Dec 1962</u>	<u>31 Dec 1963</u>
GS-18	54.3	56.0	55.3	55.8
GS-17	50.0	47.8	48.6	48.7
GS-16	46.9	47.4	46.2	48.0
GS-15	47.4	47.5	47.3	48.0
GS-14	45.0	45.4	45.7	46.4
GS-13	42.5	43.2	43.2	43.4
GS-12	39.5	39.7	40.1	40.6
GS-12 thru 18	42.4	42.9	43.1	43.6
GS-11	37.5	38.2	38.3	38.3
GS-10	34.2	35.2	36.0	36.4
GS-9	35.1	35.3	35.2	35.1
GS-9 thru 18	39.5	39.9	40.2	40.4

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ANNUITY COMPARISONS

UNDER PAY SCALE
EFFECTIVE FROM JULY 1960
TO PAY REFORM ACT OF 1962

UNDER PAY REFORM ACT OF 1962
PHASE II PAY SCALE
EFFECTIVE JANUARY 1964

<u>Age</u>	<u>Service</u>	<u>Grade</u>	<u>Step</u>	<u>High Five</u>	<u>Annuity</u>		<u>High Five</u>	<u>Annuity Under Current Civil Service</u>	<u>Annuity Under Proposed Agency</u>	<u>Annuity Under Proposed Federal 55-1</u>
50	20	GS-11	5	\$ 8,600	\$2,648	*	\$ 9,530	\$ 2,935	\$ 3,812	
50	20	GS-13	5	11,675	3,595	*	13,265	4,085	5,306	
50	20	GS-15	5	15,030	4,629	*	17,725	5,459	7,090	
55	30	GS-11	5	8,600	4,590	*	9,530	5,089	5,718	\$ 5,335
55	30	GS-13	5	11,675	6,234	*	13,265	7,083	7,959	7,454
55	30	GS-15	5	15,030	8,026	*	17,725	9,465	10,635	9,961
55	30	GS-11	Top	8,860	4,731	*	10,650	5,687	6,390	5,985
55	30	GS-13	Top	11,935	6,373	*	14,805	7,905	8,883	8,320
55	30	GS-15	Top	15,030	8,026	*	19,270	10,290	11,562	10,829
60	30	GS-11	5	8,600	4,833	*	9,530	5,335	5,718	5,335
60	30	GS-13	5	11,675	6,561	*	13,265	7,454	7,959	7,454
60	30	GS-15	5	15,030	8,446	*	17,725	9,961	10,635	9,961
60	30	GS-11	Top	8,860	4,979	*	10,650	5,985	6,390	5,985
60	30	GS-13	Top	11,935	6,707	*	14,805	8,320	8,883	8,320
60	30	GS-15	Top	15,030	8,446	*	19,270	10,829	11,562	10,829

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